

# SUBCOMMITTEE NO. 1 on Education



**Subcommittee No. 1**

**Chair, Denise Moreno Ducheny**

**Member, Bob Margett**

**Member, Gloria Romero**

**Wednesday, June 4, 2008**

**9:30 a.m.**

**Room 3191, State Capitol**

**K-12 Agenda – Part A**

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## Issue 1 - Federal Title I - Set-Aside Funds

Item	Issue	Description	Staff Recommendation	BBL/TB
6110-134-0890	April Letters. <b>Title I Set-Aside Budget Appropriations - Various Adjustments.</b> Federal Funds. Local Assistance. (Issues 564 & 571)	<p>The Governor proposes a decrease of <b>\$10.8 million</b> federal Title I Set Aside funds to align the appropriation with available federal funds. This brings total Title I Set -Aside funding to <b>\$65.2 million</b> in 2006-07. (Issue 564)</p> <p>The Governor also proposes to eliminate \$20 million in Title I Set-Aside Funds for schools remaining in II/USP and shift these funds to program improvement activities for LEAs in corrective action. This proposal represents a fund shift within the 6110-134-0890 item and therefore does not affect total funds available. (Issue 571)</p>	<p><b>Approve April Letter adjustments and approve LAO recommendation to appropriate \$55.0 million in federal Title I Set-Aside funds to be allocated pursuant to legislation.</b></p> <p><b>Of this amount, approve \$7.8 million on a one-time basis for FCMAT for purposes of providing CSIS support for CALPADS.</b></p>	
TBL	May Revise. <b>Title I Set-Aside Funds for LEAs in Corrective Action - Legislative Appropriations.</b> Federal Funds. Local Assistance.	The Governor proposes to set-aside <b>\$45 million</b> in Title I Set- Aside Funds to assist LEAs in their efforts to improve the academic performance of their students and to meet their federal accountability measures.	<b>Withhold \$47 million in one-time Title I Set-Aside Funds for separate legislation.</b>	

## Issue 2 - Federal Title I - School Improvement Grant Funds

Item	Issue	Description	Staff Recommendation	BBL/TB
6110-134-0890	April Letter. <b>Establish the Federal Title I School Improvement Grant.</b> Local Assistance. Federal Funds. (Issue 566).	Requests a new appropriation of <b>\$78.1 million</b> in federal Title I School Improvement Grant (SIG) funds for grants to LEAs. Of this amount, \$16.6 million reflects the availability of one-time carryover funds.	<b>Approve April Letter to appropriate \$78.1 million in federal SIG in the budget, but require that funds be allocated pursuant to legislation so that funds can be coordinated with the Title I program improvement package.</b>  <b>Appropriate funding within a new, separate budget item.</b>	
6110-001-0001 6110-001-0890	April Letter. <b>Staff Positions for Federal School Improvement Grant Program.</b> Federal Funds. State Operations. (Issue 567).	The Governor requests an increase of <b>\$378,000</b> in federal Title I School Improvement Grant (SIG) funds for <b>4.0 positions</b> to support the new SIG program.	<b>Approve April Letter funding and positions, but align to purposes of SIG, as determined through legislation.</b>	

## Issue 3 - Federal Title V - School Innovation and Improvement Funds

Item	Issue	Description	Staff Recommendation	BBL/TB
6110-123-0890	April Letter. <b>Title V Innovative Program - Carryover Funds.</b> Local Assistance. Federal Funds. (Issues 568 and 570)	<p>The Governor proposes a <b>\$4.9 million</b> reduction in total federal Title V funds, which provides a decrease of \$10.9 million align the appropriation with available federal funds and an increase of \$6.0 million to reflect the availability of one-time carryover funds.</p> <p>The federal government eliminated funding for the Title V Program effective in 2008-09. The Governor's proposes to eliminate ongoing funding for Title V to reflect this development and retains a total of <b>\$6.0 million</b> in carryover funds for the program in 2008-09 for the existing program.</p>	<b>Approve April Letter adjustments, but appropriate \$6.0 million in carryover funds pursuant to legislation so that funds can be coordinated with the Title I program improvement package.</b>	

## Issue 4 - Federal Title III - English Language Acquisition Funds

Item	Issue	Description	Staff Recommendation	BBL/TB
6110-125-0890	Legislative Proposals. <b>Additional Funds for State Administration and State Level Activities.</b> Federal Funds. <b>State Operations.</b>	<p>CDE has identified <b>\$3.4 million</b> in additional Title III funds available for state level activities or state administration in 2008-09.</p> <p>In 2007-08 the Legislature approved \$1.6 million and 4.0 positions for CDE to monitor and provide technical assistance to alternative, county court, and Division of Juvenile Justice schools serving English learners. As proposed, these one-time funds would be provided over a three-year period and build local capacity for better serving youth being served by county level programs. These funds were vetoed by the Governor.</p> <p>The Governor's January Budget proposed \$109,000 in state General Funds to continue and make permanent 1.0 position to administer the English Learner component of the Math and Reading Professional Development Program. The Subcommittee voted to deny General Fund (Non-98) funds for new positions given the budget shortfall.</p>	<p><b>*Approve \$1.6 m for monitoring and technical assistance of correctional and alternative education programs.</b></p> <p><b>*Approve \$109,000 and 1.0 ongoing position to administer the Math and Reading Professional Development for teachers of English learners.</b></p> <p><b>*Approve \$1.7 m for local assistance activities coordinated with Title I Program Improvement plan.</b></p>	

<p>6110-001-0001 6110-001-0890</p>	<p>Legislative Proposal. <b>Establish Intervention and Assistance Program in Budget.</b> Federal Funds. State Operations.</p>	<p>CDE has utilized <b>\$1.8 million</b> in Title III state level activities funds from 2007-08 to begin a state level intervention and assistance program for local education agencies (LEAs) facing corrective actions for English learners. The Legislature did not approve these funds as a part of the 2007-08 budget, rather this program was developed and implemented administratively by CDE.</p> <p>This new program is funded with state level activities funds and allocates base grants and per pupil funding to eleven county offices of education to support LEAs that have failed to meet growth objectives – defined as annual measurable achievement objectives (AMAOs) for English learners. This new program both coordinates and overlaps with Title I intervention activities currently underway for schools and districts in program improvement.</p>	<p><b>Approve \$1.8 million for an intervention program for LEAs not meeting Title III benchmarks (AMAOs).</b></p> <p><b>Add provisional language to identify the program in the budget and coordinate it with Title I program improvement activities.</b></p>	
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<p>6110-001-0001 6110-001-0890</p>	<p>CDE Proposal. <b>Reappropriation Language for English Learner Best Practices Pilot Program Evaluation.</b> Federal Funds. State Operations.</p>	<p>The Legislature approved \$1.0 million in 2007-08 for an evaluation of the English Learner Best Practice Pilot Program; however, the Governor vetoed \$500,000 based on understandings that private foundations would cover this amount. CDE has indicated that it is not possible to complete a high quality evaluation with only \$500,000. CDE has informed the Legislature that they are delaying release of the Request for Proposal for the evaluation and exploring the extension of the evaluation timetable to reduce the costs and extend the benefits of the evaluation. CDE requests the following provisional language for Best Practices Study reappropriation, as amended by DOF:</p> <p><i>6110-49x--Reappropriation, Department of Education. Notwithstanding any other provision of law, the following specified balances are reappropriated from the following citations, for the purposes specified:</i></p> <p><i>(1) \$500,000, or the unexpended amount thereof, from Item 6110-001-0890, Provision 48, of the Budget Act of 2007 (Chapter 172, Statutes of 2007), is reappropriated for the purposes specified.</i></p>	<p><b>Approve reappropriation language, with amendments recommended by DOF.</b></p>	
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## Issue 5 - Federal Title II - Teacher Quality Improvement Grants

Item	Issue	Description	Staff Recommendation	BBL/TB
6110-001-0001 6110-001-0890 6360-101-0001	LAO Proposal. <b>Additional State Administration Funds Available.</b> Federal Funds. State Operations.	<p>The LAO estimates that the state receives \$2.8 million annually for state administration for Title II, but spends only \$2.3 million on an ongoing basis, leaving about <b>\$500,000</b> left over annually.</p> <p>The LAO recommends using this \$500,000 in ongoing savings to pay for Teacher Misassignment Monitoring (\$308,000) within the Commission of Teacher Credentialing and to use approximately \$200,000 to fund two existing positions in CDE's Professional Development Unit.</p> <p>This would provide approximately \$500,000 in ongoing General Fund savings to the state.</p>	<b>Approve LAO proposal</b>	



6110-195-0890	<p>April Letter. <b>Title II Improving Teacher Quality Local Grants. Local Assistance.</b> (Issues 086, 088, and 089).</p>	<p>The Governor proposes an increase of <b>\$4.1 million</b> in federal Title II Improving Teacher Quality funds, which includes a decrease of \$23,000 to align the appropriation with available federal funds and an increase of \$4.1 million to reflect the availability of one-time carryover funds. The Governor proposes to use carryover funds as follows: \$3.6 million is provided for local grants and \$500,000 is provided in one-time carryover for California Subject Matter Projects.</p> <p>The LAO questions the Governor's April Letter proposal to direct \$500,000 in Title II local assistance carryover funds to expand the U.C. Subject Matter Projects, given existing expenditure delays for that program.</p>	<p><b>Approve April Letter.</b></p>	
6110-195-0890	<p>Legislative Proposals. Undesignated Federal Carryover Funds. Federal Funds. Local Assistance.</p>	<p>CDE has identified an additional <b>\$5.1 million</b> in Title II carryover funds from state level activities and state administration that will be available in 2008-09.</p> <p>The LAO suggests using \$5.1 million in Title II carryover funds available for state-level activities to offset General Fund costs for an existing program to create one-time savings. The funds could be used to replace Proposition 98 General Funds funding for the Administrator Training Program (\$4.5 million) or to replace Non- 98 General Fund dollars for the Subject Matter Projects within the UC budget (\$5 million).</p>	<p><b>Approve \$3.0 million for Personnel Management Assistance Teams.</b></p> <p><b>Provide \$2.1 million to backfill General Fund (Non-98) funds for the U. C. Subject Matter Projects.</b></p>	

## Issue 6 - Federal Special Education

Item	Issue	Description	Staff Recommendation	BBL/TB
6110-161-0890	Legislative Proposals. <b>Undesignated Federal Special Education Funds.</b> State Operations and State Level Activities.	<p>CDE has identified <b>\$11.4 million</b> (\$3.9 million ongoing and \$7.5 million one-time carryover) in additional special education funds available for state-level activities and state administration in 2008-09. Of this amount, \$9.5 million is available from state-level activities and \$1.9 million is available from state operations.</p> <p>The Governor and CDE support shifting these funds to local assistance.</p> <p>The LAO recommends utilizing \$8.9 million to offset across-the-board reductions for the State Special Schools. This includes \$5.1 million in Proposition 98 General Funds and \$3.8 million in Non-98 General Funds for the State Special Schools.</p>	<p><b>Approve \$8.9 million to offset General Fund reductions to the State Special Schools.</b></p> <p><b>Approve \$1.25 million for monitoring and technical assistance of court and alternative schools:</b></p> <p><b>Approve \$1.25 million for the Family Empowerment Centers.</b></p>	

## Issue 7 - Federal Funds - Reading First

Item	Issue	Description	Staff Recommendation	BBL/TB
6110-126-0890	April Letter. <b>Reading First Program Funding Adjustments.</b> Federal Funds. Local Assistance. (Issue 082 and 083)	<p>The Governor requests a decrease of <b>\$78.1 million</b> in federal Reading First funds in 2008-09, which includes a \$87.6 million decrease in the ongoing federal grant amount and an increase of \$9.5 million in carryover funds. These adjustments bring total funding for Reading First to \$92.7 million in 2008-09.</p> <p>The LAO recommends that the Legislature allocate <b>\$92.7 million</b> in available Reading First funds and savings from state and regional assistance centers so that existing school district cohorts can participate in the program for six years.</p>	<b>Approve April Letter funding levels, but adopt LAO plan for allocating funds.</b>	

## Issue 8 - State Special Schools Transportation Funding

Item	Issue	Description	Staff Recommendation	BBL/TB
6110-008 -0001 6110-008-0046	May Revise. <b>State Special Schools Shift Transportation Funding to Public Transportation Account.</b> General Fund (Non-98) & Public Transportation Account. State Operations. (Issues 422 and 423)	<p>The Governor requests that <b>\$4.1 million</b> in total Home-to-School Transportation program costs be shifted from the General Fund to the Public Transportation Account to support mass transit services at the State Special Schools.</p> <p>This amount reflects proposed increases program totaling \$1,238,000 to support increased busing contract costs for the State Special Schools, including a \$314,000 increase to restore the Budget-Balancing-Reduction and \$924,000 to support an anticipated increase in transportation contract costs due to fuel and insurance prices. Provisional language stipulates that transportation expenditures are subject to Department of Finance approval, as follows:</p>	<b>Approve May Revise proposal. Add language clarifying that DOF shall act on expenditures within 30 days.</b>	
		<p><i>XX. Funds appropriated in this item are in lieu of funds that otherwise would be transferred from the General Fund to Section A of the State School Fund in accordance with Sections 14007 and 41301.5 of the Education Code.</i></p> <p><i>XX. The State Department of Education shall obtain Department of Finance written approval prior to spending \$924,000 in this item budgeted to address anticipated transportation contract increases in 2008-09 resulting from fuel and insurance costs.</i></p>		

## Issue 9 - Arts and Music Program - Language

Item	Issue	Description	Staff Recommendation	BBL/TB
6110-265-0001	April Letter. <b>Arts and Music Block Grant - Language.</b> Local Assistance. General Fund (Prop-98). (Issue 402)	<p>The Governor requests the following changes to provisional language clarifying that funds may be used to provide continued (in addition to one-time) support of staff hired under the program and to allow the purchase of used (in addition to new) materials, books, and equipment.</p> <p><i>“3. The funds appropriated in this item may be used for hiring of additional staff and for ongoing support of staff hired under this program grant, purchase of new or used materials, books, supplies, and equipment, and implementing or increasing staff development opportunities, as necessary to support standards aligned arts and music instruction.”</i></p>	<b>Approve April Letter language.</b>	

## Issue 10 - County Office Oversight Authority and Funding

Item	Issue	Description	Staff Recommendation	BBL/TB
6110-266-0001	May Revise. <b>Funding for County Offices of Education - CAHSEE Oversight Language.</b> Local Assistance. General Fund (P-98). (Issue 737)	<p>The Governor requests that provisional language be added to this item specifying that county offices of education (COEs) may use up to \$1.5 million General Fund for monitoring school compliance with the Valenzuela settlement agreement.</p> <p>The Valenzuela settlement, codified in Chapter 526, Statutes of 2007 (AB 347), provides intensive instruction services for two additional years after completion of grade 12 for students who have failed to pass the California High School Exit Exam, requires LEAs to notify students of their eligibility for these services, and requires COEs to monitor LEA notification efforts.</p> <p>The legislation authorized COEs to use \$1.5 million of Williams Audits funding to perform notification monitoring in 2007-08 and specified that funding in future years was dependent on Budget Act appropriations.</p>	<b>Approve May Revision language request, with adjustments to remove new requirements for COE audits of Emergency Repair Program.</b>	
		<p><i>1. Funds appropriated in this item are for allocation to county offices of education for the purposes of site visits pursuant to Sections 1240 and 52056 of the Education Code, <del>and for verification of the completion of Emergency Repair Program projects.</del> Up to \$1,500,000 may be used to provide funding to county offices of education for the oversight activities required pursuant to subparagraph (E) of paragraph (2) of subdivision (c) of Education Code Section 1240. The Governor proposes the following language changes:</i></p>		

## Issue 11 - State Relocatable Classroom Facility Program

Item	Issue	Description	Staff Recommendation	BBL/TB
Control Section 24.30	May Revise. <b>State Relocatable Classroom Program - General Fund Savings.</b> State Operations. General Fund. (Issue 050)	<p>The Governor requests that Budget Control Section 24.30 be added to transfer sale and lease proceeds from the State Relocatable Classroom Program to the General Fund for the purpose of achieving General Fund Savings in 2008-09. The Office of Public School Construction has recently estimated that \$16.6 million in excess revenues from the program is currently available.</p> <p>The State Relocatable Classroom Program, which is administered by the State Allocation Board, is being phased out. The State Allocation Board voted on May 28th to approve the transfer of \$16.6 million in savings from the program to the state General Fund.</p>	<b>AAB</b>	
		<i>SEC. 24.30. Notwithstanding any other provision of law, the Controller, upon order of the Director of Finance, shall transfer sale and lease revenues received pursuant to Section 17089 and Section 17089.2 of the Education Code, in an amount determined by the Department of Finance, from the State School Building Aid Fund to the General Fund.</i>		

## Issue 12 - Control Section 12.40 - Categorical Program Transfers

Item	Issue	Description	Staff Recommendation	BBL/TB
Control Section 24.40	April Letter. <b>Control Section 12.40 - Categorical Flexibility.</b> Local Assistance. General Fund (Prop - 98). (Issue 403)	<p>The Governor requests that language in this item be amended to allow LEAs to transfer up to 50 percent out of, and 55 percent into, a specific list of categorical programs. (The Governor's January Budget inadvertently proposed transfer of up to 60 percent out and 65 percent into categorical programs.)</p> <p>As authorized in the 2007-08 Budget Act, Control Section authorizes LEAs to transfer up to 10 percent out and 15 percent into a list of ten categorical programs. The 2007-08 budget also authorizes transfers "in" for two additional programs - Economic Impact Aid and Foster Youth Services - but prohibits transfers out of these programs.</p> <p>The Governor's proposal would allow a five fold increase to current law, which is intended to provide LEAs with increased administrative flexibility as a result of proposed budget reductions.</p>	<b>Reject the Governor's proposal and maintain transfer rates contained in 2007-08 budget. In addition, amend language to prohibit any transfers out of the Child Nutrition program.</b>	



## Issue 13 - Various Technical Adjustments (Consent)

Item	Issue	Description	Staff Recommendation	BBL/TB
6110-198-0001	CDE Proposal. <b>California School Age Families Education Program (CALSAFE) - Budget Schedule Adjustments.</b> Local Assistance. Federal Funds.	<p>CDE proposes to shift funds within the CALSAFE budget item to better align appropriations with program expenditures, as follows:</p> <p><i>Academic &amp; Support Services.....\$18.8 million</i></p> <p><i>Services for Non-Converting Pregnant Minors.....\$12.4 million</i></p> <p><i>Child Care..... \$23.1 million</i></p>	<b>Approve CDE Technical Adjustment.</b>	
6110-492	CDE Proposal. <b>Reappropriation of Native American Curriculum Review Funds.</b> State Operations. General Fund.	<p>CDE is requesting the following language be added to item 6110-492:</p> <p>(2) \$50,000 from Item 6110-001-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006) is reappropriated to the State Department of Education for supporting the Curriculum Development and Supplemental Materials Commission and the State Board of Education for the purpose of reviewing the standards-based Native American instructional resources developed pursuant to Section 13041 of the Education Code.</p>	<b>Approve Reappropriation Language.</b>	

6110-001-0687	CDE Proposal. <b>Funding Authority for Federal Claims Reimbursements for the Westland/Hallmark Beef Recall.</b> State Operations. Federal Funds.	CDE requests budget authority in 2008-09 for \$3.3 million in anticipated federal claims funds from the United State Department of Agriculture (USDA) for the purpose of reimbursing local educational agencies, processors, and distributors for disposal costs associated with the Westland/Hallmark beef recall. USDA instituted a recall of Westland/Hallmark Meat Packing Company beef in February 2008. The USDA issued specific disposal procedures to LEAs, processors, and distributors and indicated its intent to reimburse all entities for disposal of Westland/Hallmark products produced between February 2006 and February 2008. CDE will distribute reimbursement funds through the state Donated Food Distribution Program. Once USDA approves the final claims, CDE will have a relatively short timeframe (perhaps as little as 30 days) to disburse funds to LEAs, processors, and distributors	<b>Approve CDE Technical Adjustment.</b>	
6110-201-0890	CDE Proposal. <b>Funding Authority for Federal Fruit and Vegetable Program.</b> Local Assistance. Federal Funds.	CDE requests local assistance budget authority for \$250,000 in federal funds for the United States Department of Agriculture's (USDA) Fresh Fruit and Vegetable Program in 2008-09. The Fresh Fruit and Vegetable Program was initiated by USDA as a pilot program with four states and one Indian Tribal Organization, in an effort to combat childhood obesity by helping children have access to fruit and vegetables and learn more healthy eating habits.	<b>Approve CDE Technical Adjustment.</b>	

6110-166-0890	April Letter Revision. <b>Carl Perkins Vocational and Technical Education Program - Funding Adjustment.</b> Local Assistance. Federal Funds.	<p>Increase base federal funding authority for this item by \$2,413,000 to reflect more updated estimates of available Carl D. Perkins Vocational and Technical Education funding subsequent to the Governor's April 1 Finance Letter adjustment previously approved by the Subcommittee.</p> <p>Add the following provisional language to conform to this adjustment:</p>	<b>Approve DOF technical adjustment to April Letter.</b>	
		<p><i>X. The funds appropriated in this item include a one-time carryover of \$9,349,000 that is available during the 2008-09 academic year for the support of additional vocational education institutional activities. The first funding priority shall be to support curriculum development and articulation of K-12 technical preparation programs with local community college economic development and vocational education programs to increase the participation of K-12 students in sequenced, industry-driven coursework that leads to meaningful employment in today's high-tech, high-demand, and emerging technology areas of industry employment.</i></p>		

## Issue 14 - Office of the Secretary for Education

Item	Issue	Description	Staff Recommendation	BBL/TB
0558-001-0001 0650-011-0001	January Budget. <b>Budget Balancing Reductions.</b> State Operations. General Fund (Non-98)	<p>The Governor proposes a <b>\$351,000</b> decrease to the OSE General Fund budget as a part of his Budget Balancing Reductions for all state agencies. This provides a ten percent, unallocated reduction to OSE.</p> <p>Given the state budget shortfall, the Legislature could also consider elimination of OSE. The office does not administer education program nor does it provide direct program, policy, or budget oversight to other state education departments or agencies. OSE has never been established statutorily. Total elimination of OSE would generate approximately <b>\$2.1 million</b> in General Fund savings. In implementing this option, the Subcommittee could consider phasing out OSE over a four year period. Alternatively, the Legislature could consider reducing direct funding to OSE of approximately \$1.0 million and retaining \$1.0 million in remaining funding for the Office of Planning and Research for education policy.</p>	<b>Provide a 25 percent reduction to the OSE budget with full elimination achieved in 2011-12.</b>	